

Document 00910

ADDENDUM NO. 01

Date of Addendum: 09-01-2006

PROJECT NAME: **Wind Energy Supply Solicitation**

PROPOSAL SUBMITTAL DATE: **September 11, 2006** (Proposal Submittal Date has not changed.)

FROM: Phil Golembiewski, P.E., City Engineer  
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Houston, Texas 77002  
Attn: Felix Johnson, Acting Assistant Director

TO: Prospective Proposers

This Addendum forms a part of the Request for Proposal (RFP) and it will be incorporated into the Contract documents, as applicable. Insofar as the original RFP is inconsistent, this Addendum governs.

**CHANGES TO REQUEST FOR PROPOSAL (RFP)**

1. RFP – Replace Page 2 of 7 with attached Page 2 of 7.

**CLARIFICATIONS**

2. RFP paragraph 1.6 Term, on Page 3 of 7, states "The City is seeking Proposals for a 10, 15 and 20 year term, commencing no earlier than 07-01-2008." **Clarification – The City is seeking three distinct Proposals, one for a 10-year term, one for a 15-year term, and one for a 20-year term.** This is a minimum; Proposers are free to submit additional Proposals with varying terms or other creative structures.

END OF ADDENDUM NO. 01



DATED: 09-01-2006

Phil Golembiewski, P.E.  
City Engineer  
Building Services Department

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## **1. RFP General Information**

### **1.1. Background**

The City has two goals in issuing this solicitation for wind energy. First, the City would like to diversify its exposure to natural gas prices in ERCOT by diversifying the type of fuel resources that are utilized to serve the City's retail electricity requirements. Secondly, the City is committed to taking steps that will result in cleaner air for the citizens of Houston and fellow Texans.

The City of Houston ("The City") is currently under a long-term retail electricity supply contract with the Texas General Land Office ("GLO"). Through this contract, the City has the contractual right to purchase energy from the wholesale market for serving its retail electricity requirements. To facilitate this wholesale purchase, the City of Houston, through an affiliate Local Government Corporation, is in the process of becoming a registered Power Marketer with the Public Utility Commission of Texas.

### **1.2. RFP Summary Requirement**

The City requires up to **100 MW** of wind energy on a stand-alone basis or bundled with Renewable Energy Credits ("RECs") for a minimum period of 10 years.

A Proposer may submit more than one Proposal to provide energy and/or RECs under the terms of this RFP, however each proposal will be evaluated on an individual basis.

### **1.3. Eligible Wind Energy Resource Proposers**

Eligible Sources of wind energy and RECs are required to be registered as renewable energy sources as defined in §25.173(n) of the Substantive Rules of the Public Utility Commission of Texas and the Proposer should also be registered in the ERCOT REC Trading Program.

Proposers which are developers of new wind generation will be required to demonstrate to the City construction and commissioning timelines which satisfy the desired timelines set out in this RFP, and must demonstrate proven development and operating experience, financial capability and technical expertise to bring the proposed Project to completion within the timeframe proposed in the RFP response.

Proposers that are engaged in wholesale power/REC markets will be required to demonstrate to the City corporate/financial capability and operational experience in the ERCOT electricity and/or REC markets, and have entered into appropriate offtake arrangements to satisfy the terms of the response.

Proposers are responsible for having or obtaining all necessary permits, licenses, and approvals associated with their Proposals. Major changes to price, terms and conditions from original submissions that are adverse to the City may be considered grounds for disqualification of the Proposal.